

STATE OF NEBRASKA

DEPARTMENT OF REVENUE
Thomas J. Gillaspie
Interim State Tax Commissioner

March 8, 1999



Mike Johanns
Governor

Rosemarie Dunn
Contract Specialist
General Services Administration
1941 Jefferson Davis Highway, Room 507
Arlington, VA 22202

Dear Ms. Dunn:

This letter is in response to your February 24, 1999, letter requesting an official response to the GSA Smart Pay Card Program.

The Nebraska Department of Revenue will continue to recognize the sales tax and lodging tax exemption on those credit card purchases that are billed directly to the federal government. Purchases made with the following federal government credit cards are exempt:

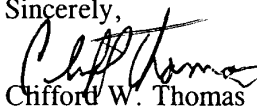
1. Visa card that contains an account number that begins with 4486 or 4716 and the sixth digit is either 0,6,7,8, or 9.
2. MasterCard that contains an account number that begins with 5568 and the sixth digit is either 0,6,7,8, or 9.
3. Voyager card that contains an account number that begins with 8699.

It is not necessary that an exemption certificate be issued in conjunction with the above referenced credit cards. The retailer's credit card records are adequate documentation to verify that the sale was made to the federal government.

Purchases made with the federally issued Visa card or MasterCard with accounts beginning with 4486, 4716, and 5568 and the sixth digit is either 1,2,3, or 4 are taxable. These purchases are subject to sales tax and lodging tax because the charges are billed directly to the employee who is later reimbursed by the federal government.

If you have any further questions, please contact me.

FOR THE STATE TAX COMMISSIONER

Sincerely,

Clifford W. Thomas
Tax Law Conferee
Legal Division
402-471-5676

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